Hazelwood resources ltd

A.C.N. 118 738 999

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Pilot Milling Starts - Water Exploration Positive - Drilling Nears Completion

Highlights

- Pilot milling tests have commenced on bulk samples from the Big Hill Tungsten Deposit, utilising an equipment vendor's test equipment.
- Approximately 30 tonnes of excavated material and approximately 40 tonnes of large diameter metallurgical core have been collected to provide feed for pilot scale processing testwork for the definitive feasibility study.
- Additional samples of high purity tungsten (scheelite) concentrate will be produced from the milling trial to assist with marketing, materials characterisation and downstream processing studies. **The unique Big Hill concentrate represents the start of the value chain in Hazelwood's tungsten business.**
- An independent review of the project metallurgy has led to a revision to the testwork program to target increased recovery of extra coarse scheelite. **A large proportion of the tungsten may be recoverable at grind size of greater than 2mm**, which is significantly coarser than current design criteria.
- The resource expansion program at Big Hill is approaching completion. Geotechnical core drilling and metallurgical coring will continue. An interim resource upgrade will be provided shortly, based on results available to date, to enable an increased mine life for the pre-feasibility study. **Most of the current resource is within 100 metres of the surface**.
- This high quality tungsten project has now been tested by **more than 250 drillholes for in excess of 22,000 metres of drilling, most of which is recent and most of which is close spaced, significantly de-risking the project.**
- Hydrogeological investigations, involving exploratory water drilling and installation of observation bores, indicate that much of the project's water needs may be obtained within a five kilometre radius of the proposed mine.

Pilot Rod Mill - metallurgical program for definitive feasibility study

Coarse scheelite in metallurgical core from the Big Hill Tungsten Deposit . Oriented PQ diameter core.

The information in this report that relates to exploration results, mineral resources or ore reserves has been compiled by Mr Terence Butler-Blaxell MAust IMM who is a director of Hazelwood Resources Limited. Mr Butler-Blaxell has sufficient experience that is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he has undertaken to qualify as a competent person as defined in the 2004 edition of the Australasian Code for the reporting of exploration results, mineral resources and ore reserves. Mr Butler-Blaxell consents to the inclusion in this report of the matters based on his information in the form and context in which it appears.